

JUL 11 1978

LEASEInternational
Airport

THIS LEASE, is made between King County, a political subdivision of the State of Washington, as LESSOR and CUSTOM-BILT PRODUCTS CO., INC., a Washington Corporation, as LESSEE.

WITNESSETH:

That the parties hereto do hereby mutually agree as follows:

1. LEASED PREMISES. King County leases to Lessee and Lessee leases from King County the premises in King County, Washington, described as follows:

(a) The easterly one-third of that certain building commonly known as the Ellis Avenue Building or Building 3-280, containing 17,280 square feet; TOGETHER WITH portions of the middle one-third of said building comprising 7,530 square feet for a total of 24,810 square feet. The leased portions of said building together with lands being herein demised are described and identified on attached Exhibits "A," "B" and "C."

(b) It is expressly intended that as soon as a present tenant shall vacate the balance of the middle one-third of said building, an area of 8,438 square feet shall be added to the leasehold of Lessee. An appropriate amendment of the lease will be drawn at the time to include the added space with increases of consideration made at the unit rate reflected in this lease.

2. USE OF PREMISES. Lessee shall occupy and use the leased property for the purpose of manufacture, general offices, sales and shipping of custom built window coverings and similar products and shall conduct such activities in a manner which does not materially interfere with the normal operations of Lessor.

3. TERM OF LEASE. This lease creates a tenancy for a term of five (5) years beginning on May 1, 1978 and ending without notice on April 30, 1983 unless earlier terminated as herein provided.

4. RENTAL CONSIDERATION. Lessee shall pay annual rental to Lessor in the amount of Forty Three Thousand Five Hundred Forty One and 55/100 (\$43,541.55) Dollars, payable monthly in advance at the rate of Thirty Six Hundred Twenty Eight and 46/100 (\$3,628.46) Dollars, TOGETHER WITH the Washington State Leasehold Excise Tax, which is presently calculated as 12% of rental payments and payable at time rental payments are due.

5. SURETY DEPOSIT. At the time of execution of this lease, Lessee shall pay to Lessor a sum equal to three months rental together with the State Excise Tax applicable. Such sum shall constitute payment of the first months rent and the balance shall be credited to the last two months rent of the term of this lease, if the Lessee shall have fully complied with all covenants, terms and conditions of this lease, but not otherwise. Lessee agrees that Lessor may increase the amount of surety to be commensurate with any increased rent. This paragraph does not preclude Lessor from pursuing any remedy for Lessee's failure to perform.

6. UTILITIES AND SERVICES. Lessor shall provide at Lessee's expense, heat, water, sewer and electricity for the leased property, but subject to the terms and provisions of any contract which Lessor may have with the utility or service organization furnishing the particular utility or service to Lessor. In addition to rental payable hereunder, Lessee shall pay to Lessor on demand, as reimbursement for utilities furnished by Lessor to Lessee (the amounts thereof to be determined by Lessor if said utilities are not separately metered and billed by the servicing utility to Lessee for the leased property). Lessor shall not be liable for stoppage or interruption of any said utilities or services caused by riots, strikes, labor disputes, accidents, necessary repairs or conditions beyond Lessor's control. Lessee agrees

not to connect or alter any utilities or equipment provided by Lessor without the consent of Lessor.

Lessee shall provide at its expense, maintenance and janitorial services for the leased property, garbage disposal and all other utilities.

7. ACCEPTANCE. Lessee has examined the leased premises and accepts them in their present condition.

8. HOLD HARMLESS. Lessee agrees to protect and save King County, its elected and appointed officials, employees and agents, while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of Lessee's employees or third parties on account of personal injuries, death or damage to property, arising out of the premises leased by Lessee or in any way resulting from the willful or negligent acts or omissions of the Lessee and/or its agents, employees or representatives.

9. INSURANCE. Lessee shall obtain and maintain continuously, public liability insurance and other insurance necessary to protect the public, with limits of liability not less than:

\$100,000 each person, personal injury
\$300,000 each occurrence, personal injury
\$100,000 each occurrence, property damage

Such insurance shall include the County as an additional insured and shall not be reduced or cancelled without 90 days written prior notice to the County. The Lessee shall provide a certificate of insurance, or, upon written request of the County, a duplicate of the policy as evidence of insurance protection provided.

10. MUTUAL WAIVER OF SUBROGATION. Custom-Bilt Products Co., Inc., and King County, Washington, Tenant and Owner respectively of those certain premises herein legally described for and in consideration of the execution hereof by each of said parties, do each herewith and hereby release and relieve the other, and waive its entire right of recovery against the other for loss or damage to property arising out of or incident to fire, lightning and the perils included in the extended coverage endorsement, which occurs in, on or about the said premises, whether due to the negligence of either of said parties, their agents or employees or otherwise.

11. TAXES. Lessee will pay throughout the term of this lease, all license and excise fees and occupation taxes covering the business conducted on the premises, and all taxes on property of Lessee on the premises and all taxes on the leasehold interest created by this lease.

12. COMPLIANCE WITH ALL LAWS AND REGULATIONS. In using the premises, Lessee will comply with all applicable federal, state, county and municipal laws, ordinances and regulations.

13. LIENS. Lessee will keep the premises free from any liens arising out of obligations incurred by the Lessee. Upon written request from King County, Lessee will furnish written proof of payment of any charge which could provide the basis for a lien on the premises if not paid.

14. ASSIGNMENT OR SUBLEASE. Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the written consent of the County first had and obtained, which consent shall not be unreasonably withheld. If Lessee is a corporation, Lessee further agrees that if at any time during the term of this lease one-half (1/2) or more of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders

other than those who own one-half (1/2) or more of the outstanding shares of that class of stock at the time of the execution of this lease or to members of their immediate families, such change in the ownership of the stock of the Lessee shall be deemed an assignment of this lease within the meaning of this paragraph. If the County shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the County's consent. If Lessee desires to assign or transfer this lease or any interest therein, he shall notify King County in writing of said desire to assign or transfer and the details of the proposed agreement, at least thirty days prior to the proposed date of assignment or transfer to a third party. The notification shall include, but need not be limited to a financial statement of the proposed Assignee, a statement and economic analysis of the proposed agreement between Lessee and his Assignee including but not limited to a full disclosure of the monetary payment or any other considerations involved, and an executed Affidavit from the proposed Assignee stating he has examined this lease, understands this lease, agrees to assume and be bound by all of the Lessee's obligations and covenants under this lease, the same as if he were the original Lessee hereunder, and the proposed date of assignment, transfer or sublease. The Lessor will review the request and respond with either an approval or disapproval of the request not later than five (5) days prior to the proposed date. Disapproval of any such request shall be final and binding on the Lessee and not subject to any further arbitration procedure, provided that any approval will not be unreasonably withheld.

15. TERMINATION DEFAULTS. If Lessee files a petition in bankruptcy, or if Lessee is adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee is appointed in any proceeding brought by or against Lessee, or if Lessee makes an assignment for the benefit of creditors, or if any proceedings are commenced to foreclose any mortgage or any other lien on Lessee's interest in the premises or on any personal property kept or maintained on the premises by Lessee, or if Lessee defaults in the performance of any of his obligations under this lease, King County may terminate this lease by written notice to Lessee and re-enter and take possession of the premises without process of law.

Time is of the essence of this agreement, and in the event of the failure of Lessee to pay the rentals or other charges at the time and in the manner herein specified, or to keep any of the covenants or agreements herein set forth, the Lessee shall be in default.

If Lessee has defaulted in the performance of any of his obligations under this lease, King County may terminate this lease under the provisions of this paragraph. King County will give Lessee thirty (30) days notice in writing stating the nature of the default to permit Lessee to remedy the default within the thirty (30) day period. In the event Lessee fails to cure said default, King County may at any time after the expiration of the thirty (30) days, terminate said lease, on written notice.

16. TERMINATION BY KING COUNTY. King County reserves the right to cancel this lease upon twelve (12) months notice in writing to the Lessee or the persons in possession of the premises if the premises are required by King County for the improvement or development of Boeing Field for public airport uses and purposes.

17. CONDEMNATION. If all of the premises is taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this lease, this lease terminates as of the date condemnor takes possession. If part of the premises is taken by any lawful authority under the power of eminent domain for a period which will end on or extend beyond the expiration of the term of this lease, King County or Lessee may choose to terminate this lease as of the date the condemnor takes possession. If either King County or Lessee elects to terminate this lease, the rent and other charges to be

paid by Lessee will be apportioned by King County and paid by Lessee to the date of termination. If neither King County nor Lessee elects to terminate this lease, the rent will be reduced in the same proportion that the value of the portion of the premises to be taken bears to the value of the entire premises as of the date condemnor takes possession.

If the taking is for a period which will end on or extend beyond the expiration of the term of this lease, Lessee will have no claim or interest in or to any award of damages for a whole or partial taking of the premises, except that the Lessee will be entitled to an amount equal to the fair market value to the lease of any improvements taken by the condemnor, except trade fixtures, made to the premises by Lessee, but not to exceed the amount of that part, if any, of the award attributable to the value of the improvement.

If temporary use of all or part of the premises is taken by any lawful authority under the power of eminent domain for a period ending before the expiration of the term, this lease will continue in full force, and Lessee will be entitled to receive any award from the condemnor for the use of all or part of the premises.

King County and Lessee will give to the other immediate written notice of the receipt of notice of any proceedings with respect to a condemnation and of any intention of any authority to exercise the power of eminent domain.

18. WAIVER. The acceptance of rent by King County for any period or periods after a default or of performance of any covenant of this lease after a default by Lessee will not be considered a waiver of the default unless King County gives Lessee written notice that the acceptance is a waiver. No waiver by King County of any default by Lessee will be construed to be or act as a waiver of any subsequent default by Lessee.

19. LITIGATION COSTS. In the event either party hereto shall bring suit or any action against the other party by reason of a default hereunder or a breach of any provision hereof, or to recover any rent or other monies due hereunder or to recover possession of the leased premises, or to obtain any other relief, declaratory or otherwise, arising out of this lease, then each party, regardless of which party prevails in such suit or action, shall be responsible for and pay his own attorney's fee and his own costs and expenses expended incurred in connection with such suit or action, including appeals.

Any action arising under this lease shall be brought in King County, Washington.

20. CUMULATIVE REMEDIES. No provision of this lease precludes King County from pursuing any other remedies for Lessee's failure to perform his obligations.

21. HEIRS, AGENTS AND ASSIGNS. Without limiting any provisions of this lease pertaining to assignment and subletting, the provisions of this lease bind the heirs, legal representatives, successors, agents and assigns of any of the parties to this lease.

22. SURRENDER. At the expiration or termination of this lease, Lessee will promptly surrender possession of the premises to King County.

23. HOLDING OVER. If Lessee shall, with the consent of King County, hold over after the expiration or sooner termination of the term of this lease, the resulting tenancy shall, unless otherwise mutually agreed, be on a month-to-month basis. During such month-to-month tenancy, Lessee shall pay to King County the same rate of rental as set forth herein, unless a different rate shall be agreed upon, and shall be bound by all of the additional provisions of this lease agreement insofar as they may be pertinent.

24. PUBLIC USE AIRPORT. The premises and King County Airport are subject to the terms of certain sponsor's assurance made to guarantee the public use of the public airport area of King County Airport as incidental to grant agreements between King County and the United States of America; provided, that in the event at any time during the term of this lease the terms of such assurance should effectively prohibit Lessee's use of the premises in connection with the normal operation of Lessee's business, Lessee may upon thirty (30) days written notice to King County, terminate this lease.

25. RIGHT OF FLIGHT. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the Lessor and the public a right of flight for the passage of aircraft in the air space above the surface of the premises herein leased, together with the right to cause in said air space such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said air space or landing at, taking off from and operating aircraft on or over Boeing Field/King County International Airport all in accordance with applicable safety and operating regulations of said airport and the Federal Aviation Administration.

26. DESTRUCTION OF IMPROVEMENTS BY FIRE OR OTHERWISE. In the event of the total or partial destruction by fire, water, explosion, natural disaster or otherwise, regardless of origin, of the building, structures or facilities being leased, Lessor shall have the option of restoring the leased premises to its original condition and utility within six months from the date of destruction.

In the event the Lessor elects not to reconstruct the improvements, then the Lessee shall have the option of terminating the lease or in the case of partial destruction, and Lessor elects to reconstruct the improvements, Lessee may continue the lease with rents reduced by a prorated amount equal to the rent the unusable portions represent in relation to the whole of the improvements leased. Such reduced rental shall pertain until full utility of the improvements is restored.

27. EMPLOYEE CONDUCT. Lessee shall use its best efforts, including the application of appropriate discipline, to ensure that its employees and agents fully comply with the rules and regulations of Boeing Field/King County International Airport. Lessee shall not employ any person or persons in or about the leased premises who use improper language or act in a loud, boisterous or otherwise improper manner. Lessee agrees to dispense with the services of any employee whose conduct is detrimental to the best interests of Boeing Field/King County International Airport.

28. NON-DISCRIMINATION. In all hiring or employment made possible or resulting from this agreement, there shall be no discrimination against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status or the presence of any sensory, mental, or physical handicap unless based upon a bona fide occupational qualification, and this requirement shall apply to but not be limited to the following: employment, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

No person shall be denied, or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this agreement on the ground of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap.

Lessee shall be bound by the regulations of the Secretary of Transportation pertaining to non-discrimination in federally-assisted programs as delineated in 49 Code of Federal Regulations, Chapter 21 and appendices thereto (formerly FAA Regulations, Part 15).

Any violation of this provision shall be considered a violation of a material provision of this agreement and shall be grounds to cancellation, termination or suspension in whole or in part, of the agreement by King County and may result in ineligibility for further County agreements.

Lessee will comply with all other applicable City, County, State and Federal anti-discrimination laws, rules, regulations and requirements thereof.

29. ADVANCES BY KING COUNTY FOR LESSEE. If Lessee fails to pay any fees or perform any of its obligations under this lease, King County will mail notice to Lessee of its failure to pay or perform. Thirty (30) days after mailing notice, if Lessee's obligations remains unpaid or unperformed, King County may pay or perform these obligations at Lessee's expense. Upon written notification to Lessee of any costs incurred by King County under this paragraph, Lessee will promptly reimburse King County.

30. SEVERABILITY. If any term or provision of this lease or the application of any term or provision to any person or circumstance is invalid or unenforceable, the remainder of this lease, or the application of the term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, will not be affected and will continue in full force.

31. MAINTENANCE. Lessee shall, throughout the term of this lease, without cost or expense to King County, keep and maintain the leased premises and all improvements, landscaping, fixtures and equipment which may now or hereafter exist thereon, in a neat, clean and sanitary condition, and except for reasonable wear and tear at all times preserve the premises in good and safe repair.

If, after thirty (30) days notice from King County, Lessee fails to maintain or repair any part of the leased premises or any improvement, landscaping, fixtures or equipment thereon, King County may, but shall not be obligated to, enter upon leased premises and perform such maintenance or repair and Lessee agrees to pay the costs thereof to King County, upon receipt of a written demand. Any unpaid sums under this paragraph will bear interest at the maximum rate allowed by Washington State law.

32. ALTERATIONS. No improvement, including landscaping, shall be erected or placed on the leased premises and no alterations will be made in the improvements and facilities constructed or to be constructed on the leased premises without the prior written approval of King County.

33. DEFINITION OF IMPROVEMENTS. As used herein the phrase "improvements placed on the premises by Lessee in accordance with the terms of this lease" or language substantially similar thereto shall mean and include improvements located on the premises at the commencement of the term of this lease as well as all other improvements subsequently placed thereon in accordance with the provisions of this lease.

34. SIGNS. No sign, advertisement, notice or other lettering will be exhibited, inscribed, painted or affixed by Lessee on any part of the outside or inside of the premises without the prior written consent of King County; provided, that such consent shall not be unreasonably withheld. If Lessee violates this provision, King County may remove the sign without any liability, and may charge the expense incurred by such removal to the Lessee, provided however, King County shall give Lessee written notice of Lessee's violation of this provision and Lessee shall have forty-eight (48) hours after receiving said notice to comply with the terms of this provision, before King County shall remove said signs. All signs erected or installed by Lessee shall be subject to any federal, state or local statutes, ordinances or regulations applicable to signs.

35. INSPECTIONS-ACCESS. King County reserves the right to

inspect the leased premises at any and all reasonable times throughout the term of this lease; provided, that it shall not interfere unduly with Lessee's operations. The right of inspection reserved to King County hereunder shall impose no obligations on King County to make inspections to ascertain the condition of the premises, and shall impose no liability upon King County for failure to make such inspections.

36. "LESSEE" INCLUDES LESSEES. It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this lease, regardless of the number, gender or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this agreement.

37. CAPTIONS. The captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

38. NOTICES. All notices hereunder may be delivered or mailed. If mailed, they shall be sent certified or registered mail to the following respective addresses:

TO LESSOR: KING COUNTY EXECUTIVE
c/o Real Property Division
500A King County Administration Building
Seattle, Washington 98104

TO LESSEE: Custom-Bilt Products Co., Inc.
6524 Ellis Ave. South
Seattle, Washington 98108

or to such other respective addresses as either party hereto may hereafter from time to time designate in writing. Notices sent by mail shall be deemed to have been given when properly mailed, and the postmark affixed by the United States Post Office shall be conclusive evidence of the date of mailing.

39. JOINT AND SEVERAL LIABILITY. Each party who signs this lease, other than in a representative capacity, will be jointly and severally liable for the performance of the obligations under this lease.

IN WITNESS WHEREOF, this lease is executed in triplicate on behalf of King County by the County Executive and by its' duly authorized officer(s) on behalf of Lessee.

LESSOR, KING COUNTY, WASHINGTON

BY *Robert W. Bratton*
King County Executive

DATE 6-28-78

STATE OF WASHINGTON)
COUNTY OF KING) ss

On this day personally appeared before me Robert W. Bratton, to me known to be the Deputy County Executive of King County, Washington, the person who signed the above and foregoing instrument for King County for the uses and purposes therein stated and acknowledged to me that he signed the same as the free and voluntary act and deed of King County and that he was authorized to so sign.

GIVEN under my hand and official seal this 28th day of June, 19 78.

Chris J. Rauter
NOTARY PUBLIC in and for the State of
Washington, residing at Carnation.

APPROVED AS TO FORM & LEGALITY:

BY *Alan H. [Signature]*
Deputy Prosecuting Attorney

DATE 2 June 1978

LESSEE, CUSTOM-BILT PRODUCTS CO., INC.

BY *W. E. Lopham*

TITLE Pres

BY *R. H. [Signature]*

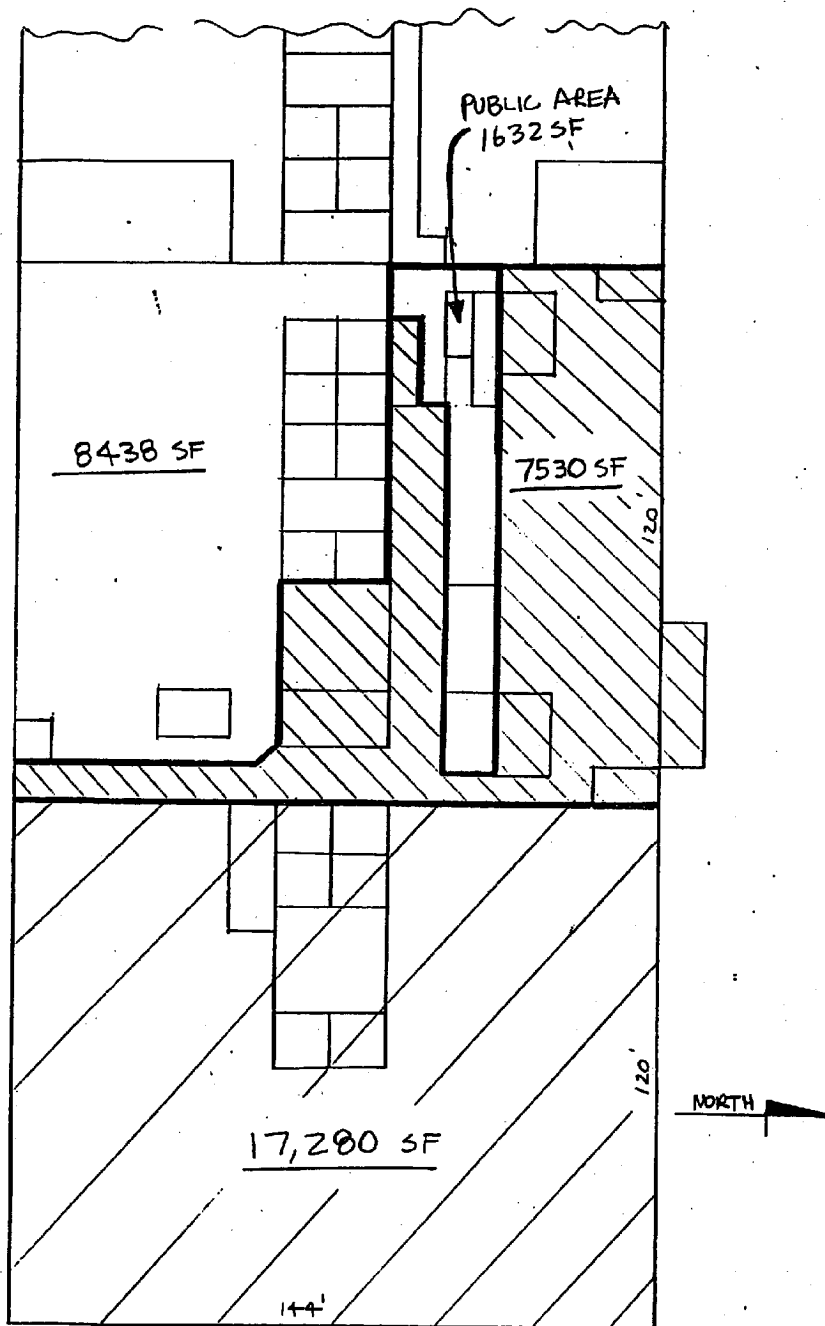
TITLE Vice President

DATE 6/14/78

APPROVED:

BY *Donald W. Smith*
Airport Manager

DATE 6-20-78



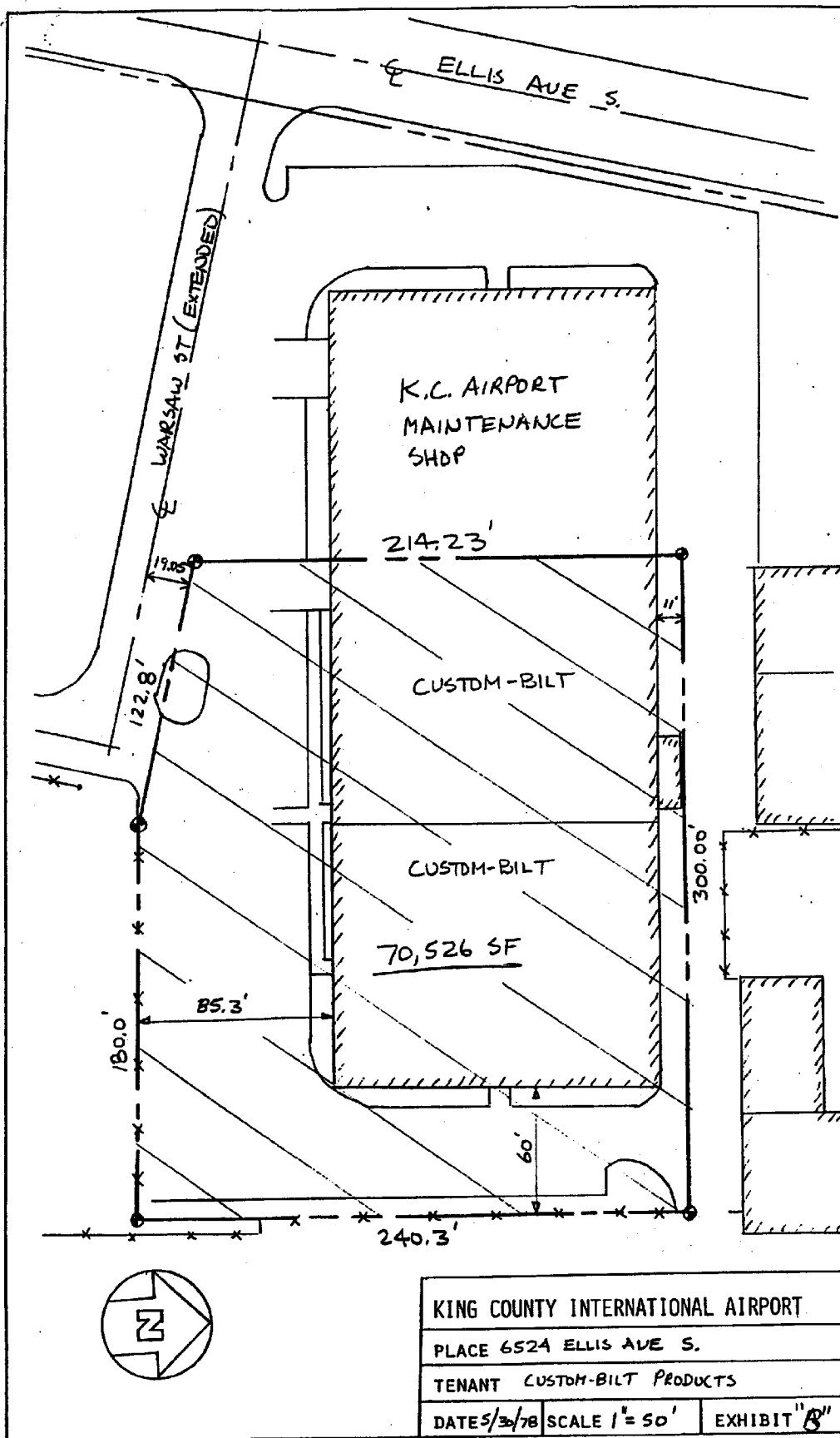
17,280
7,530
TOTAL 24,810 SF

KING COUNTY INTERNATIONAL AIRPORT

PLACE ELLIS AVE BUILDING

TENANT CUSTOM-BILT PRODUCTS

DATE 6-21-78 SCALE 1" = 30' EXHIBIT "A"



KCSlip4 58958

SEA425257

CUSTOM-BILT PRODUCTS, INC.

An irregular tract of land situated in the North 1/2 of the Northeast Quarter of Section 29, Township 24 North, Range 4 East, Willamette Meridian, described as follows:

"Commencing at the monumented centerline of right of way intersect of Ellis Avenue as now established at 60 feet in width and Warsaw Street as now established at 60 feet in width; thence South $77^{\circ}44'56''$ East along the extended centerline of Warsaw Street right of way a distance of 345.0 feet, more or less, to the Easterly right of way margin of the frontage road, said right of way having a width of 41 feet; thence North $12^{\circ}15'29''$ East along said Easterly margin a distance of 15.0 feet; thence North $89^{\circ}59'42''$ East along a chain-link fence 85.3 feet from and parallel to the South face of the Ellis Avenue Building a distance of 19.49 feet, more or less, to the TRUE POINT OF BEGINNING; thence continuing along the same bearing 180 feet; thence North $0^{\circ}0'18''$ West along a line parallel to and 60 feet from the Easterly face of the Ellis Avenue Building a distance of 240.3 feet; thence South $89^{\circ}59'42''$ West along a line parallel to and 11 feet from the Northerly face of the Ellis Avenue Building a distance of 300 feet; thence South $0^{\circ}0'18''$ East along the dividing wall between the Westerly and center thirds of the Ellis Avenue Building a distance of 214.23 feet; thence South $77^{\circ}44'56''$ East along a line parallel to and 19.05 feet from the centerline of Warsaw Street (extended) a distance of 122.80 feet to the TRUE POINT OF BEGINNING; said tract of land contains an area of 70,526 square feet, more or less."

* Legal Description Depicted on EXHIBIT "B"

Jeffrey W. Winter, P.E.
5-30-78

EXHIBIT "C"

KCSlip4 58959

SEA425258

KING COUNTY AIRPORT INCIDENT REPORT

Incident: Lighting at Airport

Incident Date: 2-20-75

Time: 0100

Location: -

Reported by: A. J. 03

Phone:

SUMMARY:

The lights around Custom Bilt are the responsibility of Custom Bilt to maintain. The County has the same arrangement with Federal House (reported last month).

Reporting Officers: J. Cunningham

Signature

Date

Time

Signature

Date

Time

ACTION: